IMAGINING the possibilities. MAKING THEM HAPPEN.

Indiana Department of Education

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Indiana Superintendent of Public Instruction

Title I Fiscal Handbook
2014-2015

Basic Title I, Part A and D

ARRA

School Improvement – 1003(a) and 1003(g)

Indiana Department of Education

The documents provided in the Title I Fiscal Handbook are intended to provide an overview of the authorizing statute and should be used in conjunction with the U.S. Department of Education policy guidance, the Title I Application, and Title I Monitoring Policies.

This document can be accessed online at http://www.doe.in.gov/titlei

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ALLOCATION PROCEDURES FOR TITLE I, PART A

Title I, Part A allocations provide monies to school districts for services that improve the teaching and learning of children failing or at risk of not meeting State academic standards. The following information explains how district allocations for Title I, Part A are calculated:

Districts that meet the requirements will receive up to four funding grants that comprise the Title I, Part A allocation: Basic, Concentration, Targeted, and Education Finance Incentive Grants (EFIG). Eligibility is determined as follows:

1. **Basic Grants** – A district must have at least 10 children in census poverty, and the number of census poverty children must be greater than 2 percent of the district's school-aged population.
2. **Concentration Grants** – A district must have at least 10 children in census poverty, and the number of census poverty children must be greater than 15 percent of the district's school-aged population.
3. **Targeted Grants** – A district must have at least 10 children in census poverty, and the number of census poverty children must be greater than 5 percent of the district's school-aged population.
4. **Educational Finance Incentive Grants (EFIG)** – A district must have at least 10 children in census poverty, and the number of census poverty children must be greater than 5 percent of the district's school-aged population.

Once the money has been allocated to districts, the district calculates school eligibility to receive funds, based on free and reduced lunch or other allowable criteria. This topic is discussed on pages 7-8.

The U.S. Department of Education bases the Title I, Part A allocations on the number of formula children in each district along with updated state per-pupil expenditure data, the number of children in locally operated neglected or delinquent institutions, foster homes, and families in poverty receiving assistance under the Temporary Assistance for Needy Families (TANF). Formula children are defined as follows:

- Children ages 5-17 residing in the geographic boundaries of the school district from families below the poverty level identified from census data compiled by the U.S. Department of Commerce. Census poverty children make up the largest portion of formula children. In the years between the decennial (censuses), census estimates are used.
- Children ages 5-17 in licensed facilities for foster children updated annually by the Family and Social Services Administration and reported to the U.S. Secretary of Health and Human Services. This is the number of children living in foster care for at least 30 consecutive days, with at least one day being in the month of October.
- Children ages 5-17 in local institutions for neglected children reported annually by the Indiana Department of Education to the U.S. Department of Education. This is the number of children who resided in an institution for neglected children for at least one day during a 30 consecutive day period, at least one day of which falls within the month of October.

HOLD-HARMLESS PROVISIONS

All four grants provide for a variable hold-harmless guarantee for each district. The hold-harmless percentage depends on the formula child rate of each district. For Basic, Targeted, and EFIG, a district must meet the eligibility criteria in order for hold-harmless protection to apply. For Concentration Grants, the hold-harmless provision applies to a district for 4 years after the district no longer meets the eligibility criteria. There is no hold-harmless guarantee if the district becomes ineligible for the Basic, Targeted, or EFIG. Provided the state receives enough Title I, Part A funds to hold each district at the appropriate hold-harmless percentage, no district will receive:

- Less than 95 percent of its previous year's allocation if the number of formula children constitutes 30 percent or more the district's ages 5-17 population;
- Less than 90 percent of its previous year's allocation if the number of formula children is between 15 percent and 30 percent of the district's ages 5-17 population;
- Less than 85 percent of its previous year's allocation if the number of formula children is less than 15 percent of the district's ages 5-17 population.

ALLOWABLE USE OF TITLE I FUNDS

The intent of Title I [including Basic, Part D, 1003(a) and 1003(g)] is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education.

Title I provides funds to improve achievement of the lowest-achieving students – those who are failing, or most at-risk of failing, to meet State academic content standards – enrolled in high-poverty schools.

All activities supported with Title I funding must support that intent – funds are meant to be used for staff and programs aimed at helping students achieve. Thus, ALL expenditures must be focused on raising achievement.

Title I funding is not intended to serve as a replacement for State/local funds; but rather Title I funding serves as supplemental funding

Title I funds are authorized and can be used to provide professional development for teachers; instructional materials; improve curriculum; enhance parental involvement; extend learning time for students who need extra help; and provide other activities that are tied to raising student achievement on the State's academic achievement standards.

Schools must provide a rationale for why the expenditures (student field-trip, project, admission to various places, materials and supplies, etc.) they are proposing, align with the root cause analysis and are:

a. Reasonable
b. Allocable
c. Necessary

A-87 generally says that federal funds may not be used for:

- Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, such as models, gifts and souvenirs (CAUTION: school promotional materials typically not allowed)
- Alcoholic beverages
- Bad debts
- Contingency provisions (with limited exceptions)
- Donations and contributions
- Entertainment costs (CAUTION: important in the context of field trips and parental involvement activities)
- Fines and penalties (with limited exceptions)
- Fundraising and investment management costs (with limited exceptions)
- General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Governments (COGs))
- Goods or services for personal use
- Lobbying
- Selling and marketing costs (with limited exceptions)

Under A-87, all costs charged to federal funds must be:

- Necessary for the performance or administration of the grant

- Reasonable in light of the goals of the federal programs, the cost of the item, and the needs of the district
- Allocable, meaning the cost benefits the grant in proportion to the amount charged
- Authorized under state and local laws, policies and procedures
- Adequately documented

Gift Cards – gift cards are never an allowable expense, as there is no guarantee the card will be used on educationally-related purchases. This includes, for example, gift cards issued as door-prizes, gift cards issued to teachers for supplies, or Apple gift cards to download software on iPads and iPods.

Food - Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. When a grantee is hosting a meeting for staff, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting for staff, grantees may want to consider a location in which participants have easy access to food and beverages.

While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, it is likely that those circumstances will be rare. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.

An exception to this rule would be light snacks at parent involvement functions. These food purchases would be allowable, but IDOE encourages districts to explore other options for providing food to parents when possible.

Software for iPads and iPods – Purchasing a generic Apple gift card to be used for software/apps is not an allowable purchase as these gift cards could easily be abused – there are no securities or safety precautions to ensure these funds are spent on downloadable applications. Apple has an online store, the App Store, where education software, books, and games can be purchased through a Volume Purchase Program. The Apple Volume Purchase Program allows institutions to purchase iOS apps and books in volume and distribute them to students, teachers, administrators, etc. Apple has guidance on their Volume Purchase Program for educational institutions at www.apple.com/itunes/education

Core Curriculum – Using Title I funds to purchase core instruction materials is NOT allowable. Providing these items (math curriculum, spelling books, etc.) is a district responsibility – even with a school-wide program. [See Supplement not Supplant section guidance.]

Furniture – It is an inappropriate use of federal funds to purchase classroom furniture, as permanent fixtures (tables, desks, chairs, etc.) are the responsibility of the district – even with a school-wide program. However, districts may purchase supplemental items such as filing cabinets, book shelves, computer tables, etc. for Title I only purposes.

Title I programs must maintain an inventory of and label all equipment purchased with Title I funds. This inventory must include a description of the equipment, its cost, serial number, date of purchase, and location. All technology-related purchased items should be included in the inventory.

Capital Expense Items – Such expenses as major remodeling and renovations are the LEAs responsibility and are not allowable uses of Title I funds.

> 34 C.F.R. § 76.533 prohibits the use of program funds, including Title I, Part A funds, for construction "unless specifically permitted by the authorizing statute or implementing regulations for the program." No such authority exists for Title I, Part A. In interpreting this prohibition, we rely largely on the definition of "construction" used in the 1988 reauthorization of the ESEA, which contained the most recent definition of construction applicable to ESEA programs generally. That definition defines "construction" as "the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities." This broad definition includes activities commonly defined as "renovation."

Minor building alterations are allowable:

> 34 C.F.R. § 77.1(c) as "minor alterations in a previously completed building," including "the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building." The definition specifically excludes "building construction, structural alterations to buildings, building maintenance, or repairs."

Rewiring to support technology is also allowable:

> to the extent that the wiring is necessary to support technology otherwise allowable under Title I, Part A (see B-7) and is consistent with the definition of "minor remodeling."

Incentives – incentives ***may*** be allowable ***IF*** the expenditures can pass ***EACH*** of the following three tests:

- **Reasonable Test** – all expenditures using Title I funds must be reasonable. It helps to determine if the expenditure is reasonable by picturing the district having to justify the expenditure to an auditor.
- **Nominal Test** – expenditures should be in **small** rewards that reflect a **minimal** portion of the total Title I funds available.
- **Educationally-Related Test** – incentives purchased with Title I funds should be educationally related – books, educational games, pencils, etc. When distributing the incentives, the rationale for receiving an incentive must also be educationally-related – finishing a project, showing growth, etc.

Examples of Allowable Incentives Using Title I Funds	**Examples of Non-Allowable Incentives Using Title I Funds**
• Providing a few educationally related incentives for parents to attend a Title I meeting. • Using a few incentives to support an academic goal. • Pens, pencils, and other school-related supplies.	• Providing all parents who attend a Title I parent meeting a door prize. • Giving away bikes, iPods, Kindles, or other high priced items as incentives. • Giving cash to students for any reason. • Using multiple incentives for many different activities. • Gift cards.

P. E. Equipment – Using Title I funds for P. E. equipment, such as a treadmill, is not an allowable use of Title I funds – even in a school-wide program. The expenditures must be focused on raising achievement.

Field Trips – Field trips ***through SIG 1003(a) or 1003(g) may*** be allowable, but ***must*** be educationally related, address an identified need in the school, and be reasonable in cost. Resort, vacation, or amusement areas (waterpark, ball-parks, amusement parks, etc.) are **not** allowable as the issue of the academic nature of the visit comes into play. Using funds to pay for multiple chaperones with a minimal number of students participating would also be an example of an unreasonable use of funds.

Requirements for educational 1003(a) or 1003(g) field trips or experiences:

- Student field trips must be integrated into lesson plans and other instructional activities, as appropriate, in order to impact the academic achievement of the most academically at-risk students in the school.
- All student field trips must be tied to the root cause analysis or school improvement plan and schools should provide supporting documentation when submitting purchase requisition to the IDOE Title I Staff for budget approval.
- Schools must submit an IDOE **Educational Field Trip Request Approval** form prior to budgets being approved for field trip experiences.
- All field trips must support the core content subject areas and classroom curriculum.
- Field trips must be grade appropriate and foster students' understanding of concepts/ideas related to core subject areas.

Questions to keep in mind when considering and planning an educational field trip or experience:

(1) Is it reasonable? *(For example, are you planning on traveling 30 miles or 230 miles to visit a museum? Is the cost reasonable? Could another experience of less cost attain the same result with your students?)*
(2) Is it allocable? *(Is there ANY aspect of this trip that would be considered amusement?)*
(3) Is it necessary? *(Is this the BEST way to meet this standard, piece of evidence, etc.?)*
(4) How will participation in this field trip assist students to achieve proficiency or an advanced status in relation to the identified needs of academically at-risk students in this school?
(5) How does the proposed field trip focus on helping students acquire the knowledge and skills needed to increase academic achievement?
(6) How is the proposed field trip integrated into the curriculum?
(7) How are the learning outcomes of the proposed field trip consistent with the knowledge and skills needed to increase student achievement?

AMENDMENT PROCEDURES

An amendment is a proposed change to the approved Title I, Part A Application and informs the IDOE of programmatic, personnel, and/or fiscal changes the LEA would like to make. Amendments are submitted to the SEA for approval in advance of implementing those changes. Changes cannot take place until you have received an approval from the IDOE. Once approved, an amendment replaces that portion of the approved application and becomes the agreement between the SEA and the LEA. Amendments may not be submitted prior to November 1st of the application year and should not be submitted later than May 30th of the application year.

It is the LEA's responsibility to recognize the need for an amendment when the program approved in the application needs modifications. Amendments must be proposed in consultation with the school principal and submitted at the district level.

When submitting an amendment, please follow these steps:

1) Submit the Final Expenditure Report that is due October 30th. The expenditure report is completed by the business manager. **An amendment on the current grant cannot be reviewed until a Final Expenditure Report from the previous year grant has been submitted.**
2) Log on to the on-line application (**https://dc.doe.state.in.us/TitleI/login.aspx?logout=true**), click amend, and make the changes.
3) Submit the amendment

No funds may be expended until **after** your amendment is approved – if money is expended prior to amendment approval, your general fund will be responsible for this amount. **No funds** may be used to reimburse any account prior to the date the amendment arrived at the IDOE.

Please contact your Grants Specialist if you have questions at: 317-232-0540.

AUDITS AND FISCAL ACTION PLANS

The State Board of Accounts is required to annually audit the federal programs in compliance with the Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. As part of the Single Audit, tests are made to determine the adequacy of the internal control structure related to federal financial assistance programs, as well as to determine that the State of Indiana has complied with applicable laws and regulations. Each November through February, the majority of the State Board of Accounts' staff assigned to state agency audits perform audits of the State's major federal programs.

Audits of the State CAFR (Comprehensive Annual Financial Report) and the Statewide Single Audit are conducted in accordance with generally accepted auditing standards as well as Government Auditing Standards issued by the Comptroller General of the United States. The staff at the State Board of Accounts must continually be aware of changing regulations to ensure proper audit coverage.

CARRYOVER FUNDS & WAIVERS

Under section 421 (b) of the General Education Provisions Act (GEPA), LEAs and SEAs must obligate funds during the 27 months extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second succeeding fiscal year. This maximum period includes a 15-month period of initial availability plus a 12-month period for carryover. However, section 1127 (a) of NCLB limits the amount of Title I, Part A funds an LEA may carry over from one fiscal year's allocation to not more than 15 percent of the total Title I, Part A funds allocated to the LEA for that fiscal year.

The following example illustrates how the 27-month availability for Title I, Part A funds and the carryover limitation would operate for a district.

FY13 Allocation	$1,500,000
Minimum amount LEA must obligate between July 1, 2013 – September 30, 2014	$1,275,000 (85% of allocation)
Amount LEA may carryover and obligate during October 1, 2014 – September 30, 2015	$ 225,000 (15% maximum carryover)*

* Any funds that remain unobligated after the grant period revert to the U.S. Treasury.

There are two types of carryover funds.

(1) **Unrequested** funds are funds that were available to the district, but were not requested in either the Title I Application or any Amendments.
(2) **Unsent** funds are funds that were budgeted and approved, but not requested through reimbursement.

For the purposes of carryover into the next fiscal year, both types are treated in the same manner.

EXCEPTIONS TO CARRYOVER LIMITATIONS

(1) Districts receiving less than $50,000.00 per year are excluded from the 15 percent maximum carryover limitation;

(2) For districts receiving $50,000.00 or more in a fiscal year, a waiver may be granted no more than once every three years;

(3) The required 1% parental involvement set-aside for districts receiving allocations of $500,000 or more must be expended within the fiscal year. Any dollars not expended within the fiscal year must be carried over and added into the district's parental involvement budget for the next fiscal year.

CARRYOVER EXAMPLE

Fiscal Year 12 Allocation:	$135,000
Maximum carryover of 15%:	$ 20,250
Fiscal Year 13 Allocation:	$142,000
Maximum carryover allowable:	$ 20,250
Total Funds Available in FY 13:	**$162,250**

SPENDING CARRYOVER FUNDS

Subject to the limitations described in the above section on **Exceptions**, districts have options when determining how to spend carryover funds. They may:

(1) Allocate the funds to eligible schools (schools must be kept in rank order based on poverty); or
(2) Allocate the funds for district level activities such as professional development. Districts using this option must ensure that private schools have equitable participation, where appropriate

WAIVERS

If IDOE determines that a district exceeds the 15% carryover limitation, after the final expenditure report has been submitted and reviewed, the district will be notified.

To apply for a waiver, a letter of request and justification must be sent to the Title I office. An LEA may only request a waiver once every three years.

The request must specify the following:
(1) Reasons why 15 percent was exceeded;
(2) Specific actions LEA will take to bring excess below the 15 percent allowed;
(3) Specific activities to be carried out and maximum amount of funds to be expended for each activity.

COMMITTEE OF PRACTITIONERS

The IDOE will create a State committee of practitioners to advise the State in carrying out its responsibilities under Title I. Sec. 1903 (b)

Each committee shall include:

- As a majority of its members, representatives from LEAs;
- Administrators;
- Teachers, including vocational educators;
- Parents;
- Members of local school boards;
- Representatives of private school children; and
- Pupil services personnel

The duties will include a review, before publication, of any proposed or final State rule or regulation pursuant to Title I. In an emergency situation where such rule must be issued within a very limited time to assist local educational agencies with the operation of Title I, the SEA may issue a regulation without prior consultation, but shall immediately thereafter convene the State committee of practitioners to review the emergency rule before issuance in final form.

Each committee will have members representing urban, suburban and rural districts. Whenever possible, there will be a representative from each region. Members will be identified annually. Information will be available for current members through the Title I Committee of Practitioners Community on Learning Connection.

This fiscal handbook was reviewed by the Committee of Practitioners (September/October, 2014).

COMPETITIVE BIDDING

Title I guidelines must ensure that all costs are necessary, reasonable, allocable, and legal under State law. Sound business practices must be utilized including arm's length bargaining (competitive procurement processes) and ensuring fair market prices. States and districts may use their own policies and procedures to procure goods and services, but all contracts supported with federal funds must include specific required provisions and all policies and procedures must meet the standards set forth in 34 CFR 80.36 (b)–(i).

Procurement Standards 80.36(b-i). Grantees can use own procurement procedures that reflect State and local laws IF they conform to these standards.

- Contract administration system (contractors perform in accord with terms, conditions and specifications of contracts)
- Written code of standards governing employees that administer contracts
- Procedures that provide for review of proposed procurements to avoid purchase of unnecessary or duplicative items
- Awards only to responsible contractors that have ability to perform
- Records to detail the significant history of the procurement
- Dispute procedures

COMPETITION

- Must have full and open competition
- Situations that restrict competition:
  - Unreasonable requirements on vendors to qualify to do business
    - Pre-qualified lists should not limit competition
  - Requiring unnecessary experience or excessive bonding
  - Noncompetitive pricing practices
  - Noncompetitive awards to consultants on retainer
  - Organizational conflicts of interest
  - Specifying a brand name
  - In-state or local preferences

SELECTION PROCESS FOR PROCUREMENTS

- Must have written selection procedures
- Procedures must ensure all solicitations:
  - Include a clear and accurate description of technical requirements
    - May include: nature of material, product or service
    - Must: establish minimum characteristics and standards with which must conform
  - Identify all requirements vendor must fulfill
  - Identify evaluation factors

SELECTION PROCESSES – DIFFERENT PROCESSES DEPENDING ON AMOUNT OF COST

- Small purchase procedures
  - Below simplified acquisition threshold ($100,000) or state/local small purchase rule
  - Relatively simple and informal
  - Price or rates quotes from adequate number of sources
- Competitive sealed bids
  - Publicly solicited, firm fixed-priced contract awarded to responsible bidder with lowest price
- Competitive proposals
  - RFP process –RFP publicized and identify all evaluation factors and relative importance
- Noncompetitive proposals

NONCOMPETITIVE PROPOSALS

- Appropriate <u>only</u> when small purchase, sealed bids or proposals are infeasible AND:
  - The goods or services are available only from a single source (sole source)
  - There is a public emergency
  - The awarding agency authorizes
  - After soliciting a number of sources, competition is deemed inadequate

- <u>Must</u> perform a cost analysis in connection with every noncompetitive contract
  - Must ensure contractor price is reasonable
  - Must ensure contractor not using market power to force higher price

CONTRACTS

- All contracts supported with federal funds must contain certain required provisions:
  - Remedies for breach, sanctions, penalties
  - Termination for cause and convenience
  - Compliance with federal statutes and executive orders
  - Reporting requirements
  - Patent rights
  - Copyrights
  - Access by federal agency, Comptroller General of US to records of contractor
  - Retention of records for 3 years after final payment
  - Must be in writing
  - Include clearly defined deliverables
    - Description of services to be performed or goods to be delivered
    - Description of dates when services will be performed or goods delivered
    - Description of locations where services will be performed or goods delivered
    - Description of number of students/teachers/etc. to be served (if applicable)

Note: Cannot contract with vendor who has been suspended or debarred
http://www.in.gov/mobile/2370.htm

INVOICES

- Must have written invoice
  - Description of services performed or goods delivered
  - Description of dates services were performed or goods delivered
  - Description of location services were performed or goods delivered
  - Description of students/teachers/etc. served (if applicable)
  - Invoices should be reviewed & approved before payment

CONSOLIDATION OF FUNDS IN SCHOOL-WIDE PROGRAMS

School-wide programs have the option to consolidate funds, which:

- Allows school administrators and instructional staff to focus on implementing strategies identified in the school-wide plan and improving the overall academic performance of the school.
- Removes barriers created by having separate academic programs.
- Provides greater flexibility to meet the needs of all students and families.
- Eliminates separate fiscal accounting records by program.
- Eliminates the need for monthly time and attendance logs from staff that work on a single cost objective.

Education program funds that could be consolidated in a school-wide program are:

- Title I, Part A Improving the Academic Achievement of the Disadvantaged
- Title I, Part D, Subpart 2 Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk.
- Title II, Part A Improving Teacher Quality
- Title II, Part D Enhancing Education Through Technology
- Title III Limited English Proficient
- Title IV, Part A Safe and Drug Free Schools and Communities
- Title V Innovative Programs
- Title VI Rural and Low Income Schools
- Funds received from discretionary (competitive) grants, such as Even Start
- State and local funds

Federal education program funds that <u>cannot</u> be included or have restrictions are:

- Migrant Education Program Funds
  -Restrictions:
    - School must consult with the parents of migratory children or organizations representing these parents, or both.
    - School must address the identified needs of migratory children that result from the effects of their migratory lifestyle or are needed to permit migratory children to participate effectively in school.
    - School must document that services to address those needs have been provided.

- Indian Education Program, Title VII, Part A, section 7115
  -Restrictions:
    - The parent committee established under that program must approve the use of the funds for the school-wide program.
    - The school-wide program must be consistent with the purposes of the Indian Education Program

- IDEA funds

-**Restrictions**:

- The amount of funds consolidated may not exceed the amount received under IDEA, Part B for that fiscal year, divided by the number of children with disabilities in the jurisdiction of the LEA and multiplied by the number of children with disabilities participating in the school-wide program.
- All other requirements of IDEA, such as the rights and services afforded to individual children with disabilities, must still be met.

In addition to restrictions listed, schoolwide programs must still meet program requirements relating to:

- Health and safety requirements
- Civil rights
- Gender equity
- Student and parental participation and involvement
- Services to private school children
- Comparability of services
- Maintenance of effort
- Use of federal funds to supplement, not supplant non-federal funds

Procedures for Consolidating Schoolwide Funds

(1) Contact in writing the IDOE if the district is considering consolidating funds. Grants Management will contact the Office of Finance and State Board of Accounts and send approval to the LEA.
(2) After receiving approval from IDOE, determine the amount of federal funds to be allocated to each of the schoolwide schools from all participating federal grants.
(3) Develop a consolidated budget for each schoolwide school. The budget should support the school's plan and the goals, objectives, and strategies needed to implement the plan.
(4) Record the budget for each school-wide school in the accounting records of the school district. A School-wide Programs Fund will need to be created for recording the expenditures of all school-wide schools.
(5) Allocate the consolidated monthly expenditures from the School-wide Programs Fund to the individual federal funds through posting a monthly journal entry for each school.

**** Though school-wide programs have the option to consolidate funds, Indiana does not consolidate funds. This is an SEA decision.***

DISPOSITION OF EQUIPMENT AND SUPPLIES

Title I Programs must adhere to the following guidelines provided in EDGAR 80.32 Equipment and 80.33 Supplies:

EDGAR 80.32

(e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

> (1) Items of equipment with a current per-unit fair market value of less than $5,000.00 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
>
> (2) Items of equipment with a current per unit fair market value in excess of $5,000.00 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
>
> (3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition action.

(f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment:

> (1) Title will remain vested in the Federal Government.
>
> (2) Grantees (SEA) or sub-grantees (LEAs) will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.
>
> (3) When equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

> (1) The property shall be identified in the grant or otherwise made known to the grantee in writing.
>
> (2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar day period the grantee shall follow 80.32(e).
>
> (3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

(h)The provisions of paragraphs (c), (d), (e), and (g) of this section do not apply to disaster assistance under 20 U.S.C. 241-1(b)-(c) and the construction provisions of the Impact Aid Program 20 U.S.C. 631-647.

EDGAR 80.33 Supplies

(b) Disposition. If there is a residual inventory of unused supplies exceeding $5,000.00 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

Disposition of equipment and supplies is documented on the Federal Equipment and Technology Inventory and updated at least every two years.

DISTRIBUTING FUNDS TO SCHOOLS

RANKING AND SERVING

The rules on distribution of funds are extremely technical and complex. The U.S. Department of Education (ED) has issued detailed non-regulatory guidance to help district administrators make their allocations. This non-regulatory guidance can be accessed at: http://www.ed.gov/programs/titleiparta/wdag.doc

Title I funds can only be used in "eligible school attendance areas." A "school attendance area" means the geographic area of a particular school in which the children served by that school reside. An "eligible school attendance area" is one where the percentage of children from low-income families who live in the school attendance area is at least as high as the percentage of children from low-income families in the district as a whole.

Title I generally requires that a district rank all of its school attendance areas (or schools, using enrollment figures) in order of poverty from highest poverty to lowest. Free and reduced lunch data, as reported to IDOE on the DOE-RT report, is used annually to prepopulate the online application. Different ranking rules apply to schools that exceed the 75 percent poverty level than to those that do not.

RANKING METHODS

Note: Only one option in addition to the 75% rule may be used within a district, with the exception of grandfathering.

- **75% FIRST**
  The district must first focus on eligible school attendance areas (or schools) in which the concentration of children from low-income families exceeds 75 percent.

- **DISTRICT-WIDE %**
  The district may determine the percentage of children from low-income families in the district as a whole (i.e., the district-wide poverty average) OR for each school.

- **GRADE SPAN GROUPING %**
  Grade span groupings are defined by the district's organization of its schools. (i.e., the district-wide grade spans poverty averages for the respective grade span groupings).

EXCEPTIONS TO RANKING REQUIREMENTS

Districts with enrollments of less than 1,000 students are not required to allocate funds to areas or schools in rank order. (Note: per pupil expenditure requirements still apply.)

- 35% Rule: A district has some discretion (albeit limited) to depart from the rigid eligibility requirements and determine which schools will receive Title I funds. First, the district may designate as eligible any school or school attendance area in which at least 35 percent of the children are from low-income families. When applying the 35 percent rule, districts must still serve school attendance areas in rank order.

- Grandfather provision: Protects schools that may lose eligibility for one year. The district may designate and serve a school attendance area or school that is not otherwise eligible for Title I, if that school was eligible and served in the preceding fiscal year.

- Skip or Skipping: A district may elect not to serve an eligible school attendance area or eligible school if the school meets the following three fiscal requirements:

  - The school meets the comparability requirement, AND
  - The school is receiving supplemental funds from other state or local sources, AND
  - Funds expended from state and local sources are equal or exceed the amount of funds that would be provided under Title I

Note: If a district decides to skip an otherwise eligible school attendance area, it must still count and serve the nonpublic school students in the area as if it had not been skipped.

EXCESS CASH ON HAND

Excess cash on hand is cash received in excess of expenditures reported to date. Excess cash on hand is determined by taking the amount vouchered to date indicated on the reimbursements to date minus the total amount expended and obligated. A positive balance indicates excess cash on hand. This amount will be withheld (not sent) from the next scheduled payment(s) until subsequent reports show that the reserve amount has been obligated. If an adjustment is needed in your monthly disbursement, contact a fiscal specialist.

EXPENDITURE REPORTING

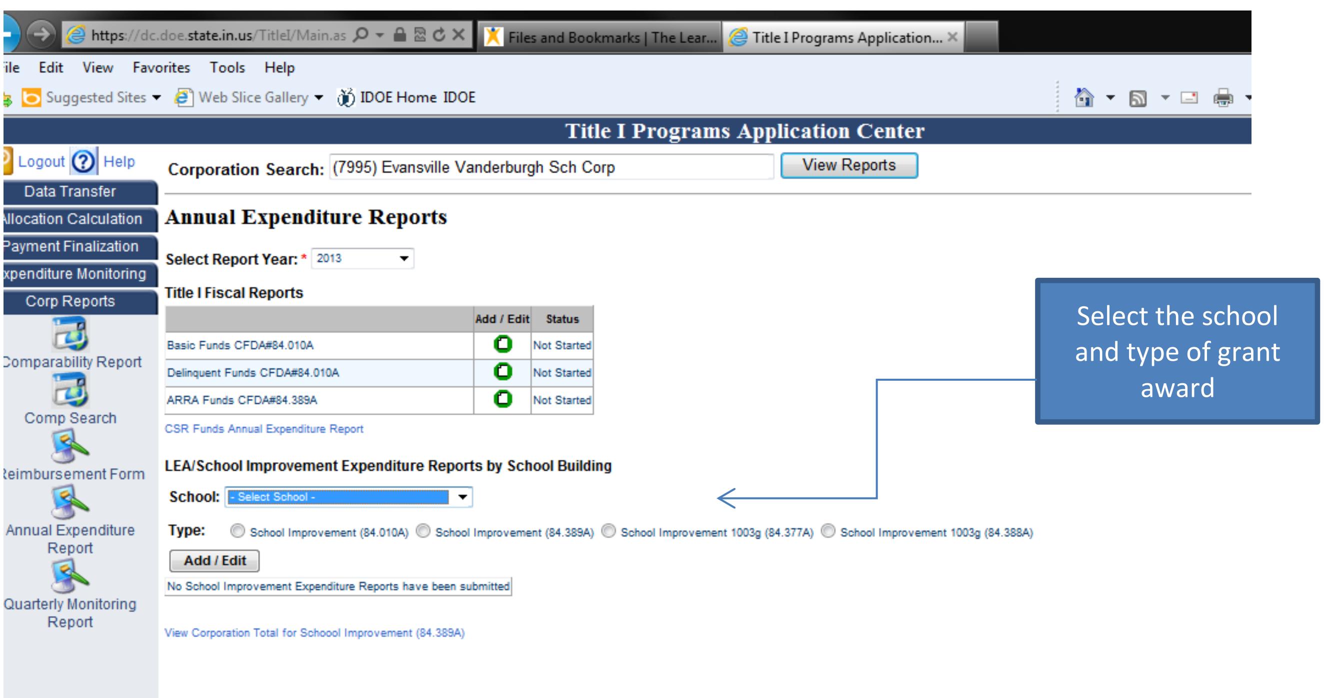
Expenditure reports audit to ensure districts and charters do not expend outside their approved budgets; indirect cost, parent involvement, professional development; contracted services; and carryover.

A Final Expenditure Report is due in our office on or before October 30 after the program ends on September 30. In **Fiscal Monitoring**, the LEA will submit fiscal expenditures as requested from your previous fiscal year (e.g., claims showing fund number and account, appropriations report, invoices, etc.).

Expenditure Reports

a. Basic Grant (overall Part A expenditures)
b. School Improvement – 1003(a) and 1003(g) [reports to be submitted by school]
c. Title I, Part D

Reports are submitted electronically and can be accessed at: https://dc.doe.state.in.us/titlei/login.aspx



INDIRECT COST

Indirect Cost - Restricted

The Office of Management and Budget (OMB) Circular A-87 was published in the Federal Register on May 17, 1995 and updated on May 10, 2004. It provides that federal programs shall bear their fair share of indirect costs except when legislation explicitly restricts reimbursement of such costs. School districts are required to have an approved indirect cost allocation plan and indirect cost rate in effect in order to recover any indirect costs related to federal grants and contracts.

If a district does not wish to recover indirect costs for federal grants and contracts, it is not required to do so.

OMB Circular A-87 establishes uniform principles for determining and distributing costs of federal grants and contracts. The Department of Education publication, "Indirect Cost Determination Guidance for State and Local Government Agencies", is used by state education agencies as the guide for cost principles and procedures for establishing cost allocation plans and indirect cost rates for grants and contracts issued by the federal government.

(1) The indirect cost rate is applied to the amount expended, not to the total grant award, to determine the indirect cost dollars to be recovered.

(2) A restricted indirect cost rate is used with federal programs which "supplement but do not supplant" local effort. Such amounts are intended to be in addition to, and in no way replace, local funds. Most of the federal programs conducted by LEAs are with "restricted' grants.

(3) An approved restricted indirect cost rate is valid for one fiscal year.

(4) To receive an indirect cost rate (ICR), a school corporation or charter school must submit an application for an ICR through the Office of School Finance. School corporations and charter schools requesting a rate must have the applicable fiscal year Form 9 Biannual Financial Report information on file. The Office of School Finance at the Indiana Department of Education will notify school corporations and charter schools of the availability of the application to be submitted to receive an Indirect Cost Rate for the upcoming fiscal year early in the calendar year. The notification of application availability will be sent out via the School Finance Learning Connection Community. The fiscal year indirect cost will be finalized prior to the beginning of the new school year.

Indirect Cost Example:

Total Expenditures Reported	\$100,000.00
Property -	\$5,000.00
=	\$95,000.000
IC Allowable x	2.28 = \$2,166.00

MAINTENANCE OF EFFORT (MOE)

DEFINITION AND PURPOSE

Maintenance of Effort is required by many grant programs, including Title I. The purpose of the maintenance of effort requirement is to ensure the recipient of federal funds (LEA) does not spend those funds in place of state and local dollars. Maintenance of effort ensures grant recipients spend their state and local funds for the same activities that would be provided if federal dollars were not available. This result is a program where federal dollars supplement (add) the normal activities of the district and do not supplant (replace) the district's normal activities. The underlying principle is that the district is responsible for maintaining effort in providing a free public education to all students from year to year. Title I is in addition to the required education that all students receive.

CALCULATING MAINTENANCE OF EFFORT

The State Education Agency is responsible for calculating maintenance of effort as follows:

- The combined fiscal effort per student OR the aggregate expenditures of the district from state and local funds for free public education for the preceding fiscal year cannot be less than 90 percent of the combined fiscal effort OR aggregate expenditures for the second preceding fiscal year.
- The measure most favorable to the district is used to calculate the maintenance of effort requirement.
- If a district fails to meet the MOE requirement, the State Education Agency must reduce the district's Title I allocation in the exact proportion by which the district has failed to meet MOE. (Example: If a district's maintenance of effort is found to be only 80%, the Title I allocation is reduced by 10% because the MOE requirement is not less than 90%).

EXCEPTIONS

The U.S. Secretary of Education may waive the maintenance of effort requirement if it is determined that such a waiver would be warranted due to:

(1) Exceptional or uncontrollable circumstances such as a natural disaster;
(2) A precipitous decline in the financial resources of the district.

MONITORING

The purpose of monitoring is to ensure LEAs are in compliance with federal grant administration requirements.

During the 2011-2012 school year, IDOE began implementing *consolidated* monitoring for Title I, Part A; Title II, Part A; and Title III, Part A.

There are three types of monitoring: Desktop, Fiscal, and Onsite. LEAs that are assigned to the Fiscal or Onsite Cycle ***have the potential*** to be selected for monitoring that particular school year, but may not be selected. LEAs that are selected for either of these cycles will receive advance notification to allow the LEA an opportunity to prepare for the monitoring visit. All LEAs assigned to Desktop Monitoring ***will receive*** desktop monitoring in that assigned year.

Over the course of three years, an LEA will move through all three cycles (although the LEA may or may not be "selected" to be monitored when assigned to the Fiscal or Onsite Cycle).

Updated schedules of the monitoring cycles by district are posted each year when complete and can be found on the Title I website: http://www.doe.in.gov/titlei. Please see a **SAMPLE** schedule below:

SAMPLE Cycle Monitoring Assignments

Corp#	Corp Name	2012-2013	2013-2014	2014-2015
0015	Adams Central	Onsite	Fiscal	Desktop
0025	North Adams	Onsite	Fiscal	Desktop
0035	South Adams	Fiscal	Desktop	Onsite
0125	MSD Southwest Allen	Onsite	Fiscal	Desktop
0225	Northwest Allen	Desktop	Onsite	Fiscal
0235	Fort Wayne	Onsite	Fiscal	Desktop
0255	East Allen	Fiscal	Desktop	Onsite
0365	Bartholomew	Fiscal	Desktop	Onsite

THREE-TIER MONITORING SYSTEM

1. **Desktop**
    - All LEAs assigned to Desktop Monitoring Cycle will be required to submit requested desktop monitoring documents.
    - A memo with accompanying Desktop Monitoring documents will be sent to assigned LEAs early second semester each school year.
    - Resources to help LEAs prepare for desktop monitoring will be available on the Learning Connection each year.
    - Desktop Monitoring documentation will be due approximately six weeks after memos have been sent out to schools.
2. **Fiscal**
    - IDOE contracts with a third-party vendor for fiscal monitoring.
    - "Selected" LEAs receive advance notification prior to the monitoring visit. Not all LEAs that are in the Fiscal Cycle will be selected for a fiscal review.
    - Notice consists of a letter as well as a copy of the fiscal monitoring tool the third party will use during the review.
    - LEAs ***that receive notification*** of a visit are encouraged to thoroughly review the monitoring tool as well as prepare materials from the list of acceptable evidence in preparation for the visit.
3. **Onsite**
    - "Selected" LEAs receive advance notification prior to IDOE's onsite monitoring visit. Not all LEAs that are in the Onsite Cycle will receive an onsite review.
    - Notice consists of a letter as well as a copy of the LEA and School Onsite Monitoring documents that IDOE will use during the visit.
    - LEAs ***that receive notification*** of IDOE's visit are encouraged to thoroughly review the monitoring documents and ensure that requested documentation is appropriately prepared and available during the monitoring visit.
    - IDOE will conduct a pre-visit conference call and request pre-visit documentation submission.

MOVING 10 PERCENT BETWEEN LINE ITEMS

A district/charter school is allowed to move 10% of **one cell to another cell** one time without submitting an amendment for approval as long as the revisions have previously been approved in the application.

There can be no programmatic changes without an amendment. Programmatic changes such as adding staff, extending learning, implementing a new program, and/or purchasing technology or equipment requires approval from IDOE prior to spending funds.

NONPUBLIC SCHOOL SERVICES

Funds for Title I services are generated if nonpublic school children are identified for free and reduced lunch or some similar method of socioeconomic status. Nonpublic school students are entitled to Title I services if they live in an eligible school attendance area, and are failing or at risk of failing based on educational need. Students are automatically eligible if they are identified as homeless, migrant, Head Start, or Even Start participants. Nonpublic school students are also entitled to proportional shares of district-wide set-asides, such as those taken for professional development, parental involvement, and instructional programs, such as district-wide EDK, summer school, or after school tutoring.

After consultation with private school officials, if the private school opts to receive Title I services, the LEA determines which option it will use to fund the Title I programs for eligible private school children.

Option 1: **School-by-School Basis** - Use funds allocated for eligible private school children to provide Title I services on a school-by-school basis to eligible private school children residing in participating public school attendance areas.

Option 2: **Pooling -** Combine (pool) funds allocated for all eligible private school children to be used to provide Title I services to eligible children who reside in participating public school attendance areas and attend any private school.

Title I funds are always under the direct management of the public school district. Therefore, any instructional staff, materials and supplies, professional development, etc. used in the nonpublic school must be approved and paid for by the public school district. Private school officials have no authority to obligate Title I funds.

Nonpublic school students who generate Title I funds will show the amount on the Eligible Schools Summary page of the Online Title I, Part A Application.

Certain district-wide set-asides must generate a proportional share for nonpublic school students. The actual funds will be budgeted on a nonpublic schools budget in the Online Title I Application.

- ***Equitable services to nonpublic school children are required in the following areas:***
    (1) Parental Involvement
    (2) Teacher and Paraprofessional Qualifications
    (3) Professional Development
    (4) District-wide Instructional Programs

Additional non-public school guidance can be found on the IDOE Title I Website:
http://www.doe.in.gov/titlei/resources-%E2%80%93-pd-ppts-guidance-swp-tas-parent-involvement-etc

OBLIGATION OF FUNDS

An **obligation** is an actual cost owed due to purchase orders issued, contracts signed, or services rendered for which a district is required to make payment. Obligations are not anticipated or estimated costs. The following table identifies when a district is considered to have an obligation for various types of services and property for which Title I funds may be spent:

Property or Service:	**When the obligation is made:**
Acquisition of technology (i.e., computers), equipment (i.e., file cabinet), or supplies (i.e., books)	On the date the district makes a binding written commitment to acquire the property.
Professional services by an employee of the district (i.e., teacher coach, supplemental student instruction)	When the services are performed.
Professional services (i.e., technical assistance for school improvement) by a contractor who is not an employee of the district	On the date the district makes a binding written commitment to obtain services.
Travel	When the travel is taken.

Title I grant funds cannot be obligated prior to the effective date identified in the Title I approval letter or the effective date of an amendment. An effective date cannot be before the July 1 availability date for federal funds.

Funds must be expended by September 30 to comply with the 15 percent limitation on carryover funds. [See section on carryover and waivers for more guidance]

Timeline for Funds

July 1	Application due and funds available
November 1 – May 30	Amendment Period
June 30	Last date to encumber funds
September 30	Last date to expend funds
October 30	Expenditure Report due

PARENT INVOLVEMENT SET-ASIDE

1% WITH 95% AT SCHOOL LEVEL

A district that receives a Title I, Part A allocation greater than $500,000 must reserve not less than one percent of its Title I, Part A allocation to carry out the provisions of section 1118, including promoting family literacy and parenting skills. A district with an allocation in excess of $500,000 first must determine the percentage of its Title I allocation that it wishes to reserve for parental involvement activities under section 1118. That percentage must be at least one percent of the district's Title I allocation, and may be more. The district then must set aside an amount for parental involvement of parents of private school children, based on the proportion of private school children from low-income families residing in Title I attendance areas. The district then must distribute to its public schools at least 95 percent of the remainder, leaving the balance of the reserved funds for parental involvement activities at the district level.

In distributing the amount of funds the district reserves for schools to carry out the parental involvement provisions of section 1118, a district may use the same formula it uses to determine the per-pupil allocations for those schools or it may distribute those funds in another manner. A district may use any one of or a combination of factors; for example:

- it may choose to allocate funds to schools in improvement status;
- base its allocation on the results of the district's annual evaluation of parental involvement activities;
- or make use of the state's annual adequate yearly progress review of how its districts are carrying out their responsibilities for activities under section 1118.

EXAMPLE: CALCULATING THE DISTRICT DISTRIBUTION OF FUNDS TO SCHOOL FOR PARENTAL INVOLVEMENT ACTIVITIES

District's total Title I allocation:	$ 2,000,000.00
1% parental involvement reservation ($2,000,000.00 x .01)	$ 20,000.00
Private school equitable share (Percentage of private school children [0.05] x amount district reserved for parental involvement [$ 20,000])	$ 1,000.00
Remaining amount ($20,000 - $ 1,000)	$ 19,000.00
Public school distribution (.95 x $ 19,000)	$ 18,050.00
Balance remaining for district-level parental involvement ($ 19,000 - $ 18,050)	$ 950.00

PAY DIFFERENTIAL

A pay differential is the difference in salaries and/or fixed charges for staff members with varying salaries, which is often due to differences in years of experience. A pay differential is used in order to equalize amounts individual schools must spend on salaries and fixed charges for both certified and non-certified staff. If a district is taking a pay differential, it must be indicated on the District Administrative Expenses page in the Online Title I Application.

PAY DIFFERENTIAL EXAMPLE – SERVING TWO TITLE I SCHOOLS

School A
Personnel: First-year Title I teacher with a base salary of $24,000

School B
Personnel: An experienced Title I teacher with a salary of $56,000

Calculating Pay Differential:
$56,000 - $24,000 = $32,000 (pay differential)

Both schools can budget for a teacher at the base salary of $24,000 and the pay differential of $32,000 can be taken on the District Administrative Expenses page. The same procedure may be used for the corresponding differences in fixed charges.

The example allows each school to have a more comparable school budget. If School B had to take $56,000 from its school budget for the salary of the more experienced teacher, it would have $32,000 less than School A to spend on other Title I services.

PAYMENT FOR ADMINISTRATIVE SALARIES

Salaries of superintendents, assistant superintendents, treasurers and 12 month/full-time principals and assistant principals are normally paid from general funds of the school corporation. Typically, these positions are covered by 12 month yearly contracts and cannot be reimbursed by Title I funds. Reimbursement for Title I services by these staff positions may be recouped by claiming Indirect Cost Expense based on the Indirect Cost Formula. The duties a principal takes on to serve as Title I Program Administrator may be additional to a principal's responsibilities, however, this situation presents a programmatic issue because IDOE questions whether an individual performing the duties of a full-time principal can also effectively carry out Title I administrative duties such as SWP, School Improvement, Parent Involvement, Non-public School Consultation, and Evaluation of Programs. Many of these activities need to be carried out during the day. Principals may receive payment for Title I work if it is outside of their contract.

EXCEPTION

EXAMPLE: A school principal who has a contract with a fixed period of employment, less than 12 months (e.g., 10 months), may be employed by the school district to carry out Title I activities (and be paid with Title I funds) during the period not included in the principal's contract. Title I cannot pay for any services which occur during the contracted time as a principal. For example, if the principal is the Title I administrator and is responsible for supervising the Title I program during the regular school year, Title I cannot pay for a part of that person's salary. Nor could a principal be paid for duties occurring over the weekend during the fixed period of time within that contract. But, if the principal prepares the application, reviews plans and policies, and evaluates the program during summer months, not included in his/her principal's contract, Title I may pay administrative costs.

In such a case, a separate contract must be prepared with a description of services to be performed, dates and hours when services will be performed, location where services will be performed and the description of the number of teachers/students to be served (if applicable). The contract period will be after the end of the current year school contract. This contract cannot be paid until after the duties have been performed. The daily rate of the contract cannot exceed the daily rate of pay provided under the administrative contract for that individual during the school year.

PROPERTY AND EQUIPMENT – PURCHASES AND INVENTORY

Title I schools are allowed to purchase supplies, materials, and equipment that are reasonable and required to effectively operate the Title I program.

In Targeted Assistance Schools, Title I funds can only be used on Title I program activities. This means anything purchased with Title I funds should be used by Title I students and stored in the Title I room. For instance, if laminators, printers, copiers, or computers are purchased with the intent to be used by Title I staff and students, they should be stored in the Title I room. Other staff are welcome to use the equipment if it does not interfere with its use in Title I and occurrences are minimal and incidental.

All computer equipment (e.g., computers, monitors, iPads), technology-related purchases (e.g., cameras, iPods, white boards, etc.), and furniture (e.g., filing cabinets, bookshelves) are considered equipment, regardless of the purchase price, and are to be coded and tracked on an inventory to prevent loss or misplacement.

A Property and Equipment Inventory must be maintained for all purchases with Title I funds. A sample inventory report is below:

Sample

EQUIPMENT/TECHNOLOGY INVENTORY (PROPERTY RECORDS)

Description of the Property	Serial Number	Source of Property	Who holds the Title	Acquisition Date	Cost of the Property	Percentage of Federal participation in the cost of the property	Where the property is located	Use and condition of the property	Ultimate disposition date including the date of disposal and sale price of the property

Sample Form with Directions

EQUIPMENT/TECHNOLOGY INVENTORY (PROPERTY RECORDS)

Description of the property	Serial Number	Source of Property	Who holds the title	Acquisition Date	Cost of the Property	Percentage of Federal participation in the cost of the property	Where the property is located	Use and condition of the property	Ultimate disposition date including the date of disposal and sale price of the property
		Where item was	Should always be	Date item		Should always be	Always be specific		Fill this in as items are
		purchased	"Title I" in this column	purchased		"100%" in this column	about location:		disposed of, otherwise
							Ex: Room X in	Ex: New, good, fair	you can put "N/A".
							X School Building	broken, daily use,	
								occasional use	

REALLOCATION POLICY

Section 1126(c) under P.L. 107-110 authorizes the State Education Agency (SEA) to reallocate excess and/or recovered Title I funds to districts that need additional funds. Reallocated funds are available from the following sources:

(1) An LEA that is eligible for a Title I allocation but has chosen not to participate in the Title I program;
(2) An LEA that has had its allocation reduced because it failed to meet the maintenance of effort requirement in section 9521 of the No Child Left Behind Act of 2001;
(3) An LEA that has carryover funds exceeding the 15 percent limitation in section 1127 of NCLB or has excess funds for other reasons; or
(4) The SEA has recovered Title I funds after the State Board of Accounts and/or the SEA has conducted a compliance review/on-site monitoring review and determined that a district has failed to expend Title I funds in accordance with Public Law 107-110 and other applicable state and federal laws and regulations.

The SEA establishes the criteria for determining which districts have the most need for the reallocated funds. In Indiana, districts eligible for basic grant funds are rank-ordered according to the percent of students enrolled and eligible for free lunches. Starting with the district in highest need (highest percentage of free lunches), reallocated funds are offered to districts in descending rank order until funds are exhausted.

The following criteria have been established for distributing reallocated funds to districts:

(1) LEAs may receive up to 3 percent of their current year's Title I allocation, OR a minimum of $5,000; and
(2) LEAs identified as eligible for reallocated funds must have:
    a. A cover letter specifying how funds will be used, and an assurance those funds will be expended by September 30th;
    b. Submitted a prior year final expenditure report documenting Title I expenditures;
    c. Expended 85 percent of Title I basic/school improvement funds from the prior program year (excluding any district granted a waiver to retain or carryover excess funds);
    d. An approved Title I Application must have been submitted;
    e. Submission of a Title I Annual Report (DOE-TI) for all Title I schools by the IDOE deadline date, including served nonpublic schools, documenting Title I student participation;
    f. Demonstrated comparability during the current or prior year by the SEA required timeline, and/or;
    g. Not been involved in an evaluation review that warranted a State Board of Accounts compliance audit (effective July 1, 2003);
    h. Not been involved in a Title I onsite monitoring that involves charge backs from the prior year;
    i. Met the requirements of maintenance of effort.
    j. Not notified IDOE that current fiscal year funds will need to be returned.

USE OF REALLOCATED FUNDS

Reallocated funds must be used for ongoing, focused professional development or extended learning opportunities that are research-based, such as preschool programs, before and after school programs, summer school learning experiences, and jump-start programs that extend the school day and/or year.

RECEIVING REALLOCATED FUNDS

Districts notified as eligible to receive reallocated monies must submit the following to the IDOE:

(1) An amendment to the current year Title I Application [see section on Amendment Procedures];
(2) A cover letter specifying how funds will be used, and an assurance those funds will be expended by September 30th.

RECORDS RETENTION

Federal regulations require grant recipients to retain records for a period of three fiscal years (five calendar years) after the day the final expenditure report for a project has been submitted. If any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the three-year period, the records in question must be retained until completion of the action and resolution of all issues, or until the end of the normal three-year period, whichever is later.

REQUIRED FILES

(1) Grant application
(2) Approved budget
(3) Award letter(s)
(4) Record of cash requests
(5) Record of cash receipts
(6) Cash disbursements records
(7) Matching expenditures
(8) Important correspondence
(9) Final reporting and closeout documents

REIMBURSEMENT

Reimbursement forms can be found in the Title I Application center, at: http://www.doe.in.gov/TitleI/reporting.html. You must have a user name and password to log into the system.

To complete a reimbursement form, you must follow the following steps:

1. After logging into the Title I Application center, click on **Corp Reports** (left side of the screen)
2. Click on **Reimbursement Form.**
3. Enter the contact information of the person completing the form.
4. Select the project year for the funds you are requesting (the project year is the same as the fiscal year).
5. Select the month.
6. Select the 1st or 15th of the month for the submission date.
7. Select the submission year of the reimbursement request (note: this is the period in which funds are requested, which may not be the same year from which funds are requested. For instance, an LEA could request 2014 funds in September during the July 2014-2015 period.)
8. Select the appropriate grant for reimbursement. The approved amounts from your budget will automatically be displayed in this form, unless the application is offline application (i.e, 1003(g)). Please note that the reimbursement forms must be submitted for each program from which funds are requested.
9. Complete the form to include the amounts requested for reimbursement.
10. Click the **Update Totals** button.
11. Click the **Submit Form** button.
12. If the form does not go back to the initial welcome page, there is an error on the form that needs corrected.

You must have an approved application or amendment to be eligible for reimbursement. Forms must be submitted on or before the 1st and the 15th of each month or funding will be delayed until the next distribution.

SEMI-ANNUAL CERTIFICATION AND TIME & EFFORT LOGS

	Semi-Annual	**Time & Effort**
What are they?	For employees who work solely on a single Federal program or cost objective, charges for their salary must be supported by periodic certifications that the employee worked only on that program for the period covered by the certification. The certification must be prepared at least semiannually and signed by the employee and supervisory official with first-hand knowledge of the work performed by the employee. *OMB Circular A-87*	For employees who work on multiple cost objectives, a distribution of their salaries must be supported by personnel activity reports (time and effort logs) which meet the following standards: • Reflect an after the fact distribution of actual activity for each employee; • Accounts for the total activity for which each employee is compensated; • Prepared at least monthly and coinciding with at least one pay period • Signed by the employee *OMB Circular A-87*
In TAS Programs	Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year.	Employees who work on multiple activities must maintain a time and effort log at least once a month.
In School-wide Programs	If a school-wide program consolidates funds in a single account, an employee paid with funds from the single account is not required to file a semi-annual certification. If a school-wide program does not consolidate funds, employees working solely on a single Federal program must complete semi-annual certifications.	If a school-wide program does not consolidate funds, employees working on multiple programs must maintain a time and effort log at least once a month.
Where documentation should be kept?	The principal or the Title I Program Administrator should keep all documentation.	
Additional Information		• Time must be documented in hours, not percentages (e.g., 1.5 hours) • The budget estimates or other distribution percentages must be

		revised at least quarterly, if necessary, to reflect changed circumstances. • The employee must document the portion of time and effort dedicated to the Federal program and each program or other cost objective supported by the revenue sources.

NEW FEDERAL GUIDANCE ON TIME AND EFFORT

The US Department of Education is offering the opportunity for State educational agencies (SEAs) to establish a substitute system for time-and-effort reporting (which SEAs may implement with respect to their employees and their local educational agencies (LEAs) beginning with the 2012-2013 school year. Additionally, USDOE is providing guidance to clarify the meaning of a "single cost objective" under OMB Circular A-87, consistent with informal advice that has been provided in particular situations. USDOE believes the combination of these actions will provide welcome relief to SEAs and LEAs whose employees currently must fill out monthly personnel activity reports (PARs).

Additional information, including the policy letter to Chief State School Officers is available at http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html.

SUPPLEMENT NOT SUPPLANT

GENERAL BACKGROUND

The “supplement, not supplant” requirement ensures that children participating in Title I programs receive their fair share of services from state and local funds. Section 1120A of the statute requires that the SEA and LEA use federal funds received under Title I only to *supplement* the amount of funds available from nonfederal sources for the education of students participating in Title I. The SEA and LEA *cannot use* these federal funds *to supplant* (take the place of) funds that *would, in the absence of Title I funds, have been spent* on Title I students.

Federal funds cannot be used to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.

In a Targeted Assistance (TAS) school, students are selected based on academic need to receive Title I services. While districts and schools are not required to provide Title I services using a particular instructional method or in a particular instructional setting, the services supported by Title I must supplement the educational services that would be provided to students in the absence of Title I.

In a School-wide Program (SWP) school, schools must use Title I funds only to supplement the amount of funds that would, in the absence of Title I funds, be made available from non-Federal sources for that school. Schoolwide programs do **not** have to select a target population for additional services or separately track Federal program funds at the school level.

PRESUMPTION OF SUPPLANTING (OMB Circular A-133, *Compliance Supplement*, used by State Board of Accounts and Office of Inspector General auditors)

There are three flags in “supplement, not supplant” where there is a presumption of supplanting, unless some other information is provided (see “Exclusions” below).

Supplanting has likely occurred if:

1) Title I funds are used to provide services that are **required** to be made available **under other federal, state, or local laws** (e.g., Title I funds cannot be used take the place of services required for students with disabilities or limited English proficient students. Title I funds may be used to coordinate or supplement those services, but not supplant them.).

2) Title I funds are used to provide services that were **provided with nonfederal funds in the prior year**.

► Presumptions of supplanting are refutable if the SEA or LEA can demonstrate that it would not have provided the services in question with non-federal funds had the Title I funding not been available (*i.e., what would have happened in the absence of the Title I funds?)*

3) Title I funds are used to provide services to Title I eligible students while those same services are **provided to non-Title I students with non-federal funds** (e.g., pay for full-day kindergarten with

Title I funds in Title I schools while providing full-day kindergarten in non-Title I schools with other state and local funds).

► 34 C.F.R. *Sec. 200.79 of the Title I regulations allow certain programs to be excluded from the supplanting analysis. For example:* A school district may exclude supplemental state and local funds expended in any school, for programs that are **Title I-like** in nature. In other words, the program meets the intent and purposes of Title I (i.e., students meet the Title I eligibility criteria; funds used to provide services to non-Title I schools are supplemental state or local funds; and the program's effectiveness is evaluated under the state's assessment system).

EXAMPLES OF SUPPLANTING:

(1) A district used Title I funds to provide services that the district was required to make available under Federal, State, or local law.

EXAMPLE:
The Individuals with Disabilities Education Act (IDEA) requires that an LEA serving children with disabilities develop an individualized education program (IEP) to ensure that a child with a disability receives a free appropriate public education. The IEP functions as a framework for the services the LEA is required to provide to each child to meet the requirements of IDEA. An LEA may not use Title I funds to provide services that must be provided under each child's IEP because, in the absence of the Title I funds, it is presumed that the LEA would use other funds or it would be in violation of the IDEA. However, in a targeted assistance school, an LEA may use its Title I funds to provide additional, supplemental services to such children. In a school-wide school, an LEA must ensure the Title I funds a school receives supplement the amount of funds that would, in the absence of the Title I funds, be made available from non-Federal sources for that school, including the amount of funds needed to provide services that are required by law for children with disabilities.

EXAMPLE:
Title VI of the Civil Rights Act of 1964 and Lau v. Nichols (1974) require school districts to provide alternative language programs to ensure that students with limited English proficiency (English learners) have meaningful access to the schools' programs. Likewise, Castañeda v. Pickard (1981) requires that the alternative language program must be based upon sound educational theory, the program is reasonably supported with resources and staff, and the program is regularly evaluated to ensure its success. These laws require schools to develop and implement an individual learning plan (ILP) to ensure that children with limited English proficiency have meaningful access to the curriculum and develop their English skills. An LEA may not use Title I, or any other federal funding including Title III, to provide this alternative language program to satisfy these federal requirements. The school district must still provide these services in the absence of these funds. Title I may provide supplemental services to limited English proficient students who are eligible for Title I services, but these funds cannot be used to supplant non-federal funds to provide services that are required by law. For example, Title I funds cannot be used to pay for an ESL/EL teacher to provide the Lau required English language development services to limited English proficient students.

(2) A district used Title I funds to provide services that the district provided with non-Federal funds in the prior year(s).

EXAMPLE:
An LEA paid for a reading specialist in a Title I school in the previous year from State and local resources but decides to use Title I funds to pay for that teaching position in the current year. This would be supplanting because the LEA is replacing State and local resources with Title I resources to pay for the same teaching position.

(3) A district used Title I funds to provide services for children participating in a Title I program that the district provided with non-Federal funds to children not participating in Title I.

EXAMPLE:
Indiana requires only half-day kindergarten. A district may not use Title I funds to pay for an extended-day kindergarten program for Title I schools and then use State or local funds to pay for a full-day kindergarten program in non-Title I schools. This would be supplanting because Title I schools would not be receiving any of the State or local funds. In other words, an LEA may not use Title I funds to pay for services in Title I schools and use State funds to pay for the same services in non-Title I schools.

EXAMPLE:
A Title I school wants to provide after-school tutoring to all 3rd, 4th, and 5th grade students. This elementary has some students who are limited English proficient (English learners). The school wants to use a state grant, Non-English Speaking Program (NESP), to pay for the after-school tutoring costs for the English learners and then use Title I to pay for the after-school tutoring costs for all native English speakers. This would be supplanting because the Title I funds are not supplemental for all eligible students, as the school used a state grant to pay for the costs associated with the after-school tutoring for the English learners.

REBUTTING A PRESUMPTION OF SUPPLANTING

These presumptions, however, are rebuttable if the LEA can demonstrate that it would not have provided the services in question with non-Federal funds had the Federal Title I funds not been available. The following are examples of documentation needed to rebut a presumption of supplanting:

- Fiscal or programmatic documentation to show that, in the absence of Title I funds, the staff or services in question would not have been provided.
- State or local legislative action (example: budget cuts)
- Budget histories

EXCLUSIONS

When determining whether Title I funding is supplemental, an SEA or LEA may exclude State and local funds expended in any school for carrying out a program that meets the intent and purposes of Title I, Part A.

A program meets the intent and purposes of Title I, Part A if the program either—

- Is implemented in a school in which the percentage of children from low-income families is at least 40 percent;
- Is designed to promote schoolwide reform and upgrade the entire educational operation of the school to support students in their achievement toward meeting the State's challenging academic achievement standards that all students are expected to meet;
- Is designed to meet the educational needs of all students in the school, particularly the needs of children who are failing, or most at risk of failing, to meet the State's challenging student academic achievement standards; and
- Uses the State's system of assessment under 34 CFR 200.2 to review the effectiveness of the program.

Or—

- Serves only students who are failing, or most at risk of failing, to meet the State's challenging student academic achievement standards;
- Provides supplementary services designed to meet the special educational needs of students who are participating in the program to support their achievement toward meeting the State's student academic achievement standards; and
- Uses the State's system of assessment under 34 CFR 200.2 to review the effectiveness of the program.

TITLE I SET-ASIDES

Certain reservations or set-asides are required for LEAs. Some set-asides are *mandatory,* with the percentage of the current allocation determined by NCLB requirements. Others are at the *discretion* of the LEA. Neglected is determined by the amount stated on the Allocation letter.

All set-asides should be deducted from the total allocation (Basic, Targeted, EFIG, Concentration) before determining the amount of money that goes to each school served. The following table lists the required set-asides in the Title I Application.

Set-Aside	**Required**	**Amount**	
Choice-Related Transportation or Supplemental Educational Services (SES)	No	An LEA that chooses to continue Choice or SES may use an amount up to 20% of the new allocation for services.	
Highly Qualified Teachers	No	An LEA may reserve funds to ensure that all teachers in Title I schools are highly qualified.	
Parent Involvement	***Yes***	***An LEA must reserve 1% of its grant allocation if the allocation is $500,000 or above. 95% of the 1% must be budgeted at the school level.***	
Neglected Institutions	***Yes***	***An LEA must reserve funds for neglected students within the district. The amount will be stated in the Title I Allocation Letter.***	
Homeless	***Yes***	***Any LEA that receives McKinney-Vento is required to reserve Title I funds for homeless students in non-Title I schools within the district. The amount of funding is at the discretion of the LEA.***	
District-wide Preschool	No	An LEA may reserve funds for a district-wide preschool, which would include eligible students from participating Title I attendance areas.	
Administrative Expenses	No	An LEA may reserve funds for administrative costs related to the oversight and management of the Title I program.	
Pay/Fixed Charges Differential	No	An LEA may use the Pay Differential option to equalize the amounts individual schools must spend on salaries and fixed charges for both certified and non-certified staff.	
District-wide Extended-Time Instructional Programs	No	An LEA may reserve funds for a district-wide instructional program (such as extended day kindergarten, before or after school tutoring, summer school, or intercession), which would include eligible students from participating Title I attendance areas.	

TRANSFERABILITY OF FUNDS

Transferability is a flexibility authority under Title VI of NCLB that permits SEAs and LEAs to transfer a portion of the funding they receive by formula under selected Federal programs to their allocations under other programs in order to most effectively address their needs.

Indiana's Elementary and Secondary Education Act Flexibility Waiver allows an LEA to transfer up to 100% of the funds it receives under authorized programs into Title I, Part A. This includes:

- Section 2121 Improving Teacher Quality State Grants

If requesting a transfer, the LEA must complete a transfer request form in the Title II application (available in the IDOE - Title II Community on Learning Connection).

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Original Title II, Part A Allocation	$
Amount LEA wishes to transfer from Title II, Part A funds to Title I, Part A funds (If any) *Note- *LEAs may transfer up to 100% of their Title II, Part A funds to Title I, Part A. However, any nonpublic school equitable share(s) must be determined prior to the transferring of funds.*	-$
New Allocation Amount for Title II, Part A	$
Administration (maximum 3% of total original allocation)	- $
Indirect Cost Rate Please visit the Title II, Part A: Improving Teacher Quality and Effectiveness learningcommunity for your LEA rate	- $
Amount to be used on Title IIA Categories (below)	$

The form is submitted with the Title II application, for approval by IDOE. The approved Transferability form will be forwarded to the assigned Grants Management Specialist and the transferred funds will be added to the Title I, Part A BASIC grant to show the addition of the transfer funds to the Title I, A program.

Any Title II, Part A funds which are being transferred to Title I must be requested for reimbursement using the Title II, Part A reimbursement form, after the funds have been spent. Once received, the funds can then be transferred from Title II, Part A to Title I at the school corporation level for the current Title I grant application year.

Districts are permitted to transfer funds from Title II, Part A to Title I, Part A, but never out of Title I, Part A.

IMPACT OF TRANSFERRING FUNDS INTO TITLE I

If a district transfers Title II, Part A into Title I, Part A the Title I application includes the additional funds when calculating the set asides and nonpublic equitable share (an equitable share for nonpublic schools will also be generated for Title II, Part A before the transfer to Title I, Part A).

Funds transferred into Title I, Part A will affect the distribution of funds under the formula (see chart and example below). The statute requires that transferred funds be spent in accordance with all rules and requirements of the program to which funds were transferred.

For example, LEAs that must reserve 1% of their new allocation for parental involvement must include both the new allocation **and** transfer funds into the total amount of funding from which to determine the 1%.

New allocation	1% Parent Involvement	Transfer Amount (from Title II, Part A)	Total New Allocation and Transfer Amount:	1% Parent Involvement
$500,000.00	$5,000.00	$10,000.00	$510,000.00	$5,100.00

APPENDIX

ACRONYMS

AMO	Annual Measurable Objective
CoP	Committee of Practitioners
EDGAR	Education Department General Administrative Regulations
EDK	Extended Day Kindergarten
EFIG	Educational Finance Improvement Grants
ESEA	Elementary and Secondary Education Act of 1965, as amended by the *No Child Left Behind Act*
FER	Final Expenditure Report
FTE	Full-Time Equivalent
FY	Fiscal Year
GEPA	General Education Provisions Act
IDEA	Individuals with Disabilities Education Act
IDOE	Indiana Department of Education
LEA	Local Educational Agency (school district)
MOE	Maintenance of Effort
NCLB	*No Child Left Behind Act of 2001*
OMB	Office of Management and Budget
PARs	Personnel Activity Reports
PPE	Per Pupil Expenditure
SBA	State Board of Accounts
SEA	State Educational Agency
SWP	Schoolwide Program
SY	School Year
TANF	Temporary Assistance for Needy Families
TAS	Targeted Assistance School

GLOSSARY OF TERMS

Annual Measurable Objective (AMO)	AMOs are unique yearly targets in reading and math for each subgroup, school, and district, as described in Indiana's Elementary and Secondary Education Act (ESEA) Flexibility Waiver.
Benefits (Certified/Noncertified)	Charges used for social security, taxes, health insurance, etc.
Certified Staff	Employees who hold a valid Indiana license from the Office of Educator Licensing. Certified Instructional Staff who work with a student or students on a regular basis and provide instructional strategies that are coordinated with and support (but do not replace) the regular classroom instruction (e.g., reading/math teacher; Reading Recovery teacher). Other Certified Staff who work directly with Title I programming (e.g., Title I Program Administrator).
Community Service Operations	Parent/Family involvement that may include training, education, dissemination of information or materials, etc, and expenses related to such activities.
District-wide Programs	For the purposes of Title I this means programs offered by the LEA for all district Title I schools (both TAS and SWP). Non-Title I schools cannot be included.
Encumber	Acquisition of real or personal property, personal or utility services, travel, rental of real or personal property, etc.
Equipment	Tangible, nonexpendable school property (Elmos, iPads, Kindles, furniture, etc).
Expend	To pay out, disperse, spend the funds
Focus School	Title I school that earns a "D" through the state accountability system
Full-Time Equivalent (FTE)	Portion of time personnel devote to Title I based on the total number of hours in a full-time position during a regular work week.
Improvement of Instruction	Expenditure used by schools and LEAs for professional development.
Indirect Cost	Those costs: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted. Amounts not recoverable as indirect costs include dollars expended on equipment, technology, and contracts in excess of $25,000.
Instructional Non-Certified Staff	Employees who may or may not hold a valid Indiana teaching license, perform paraprofessional duties, and are paid on a non-certified salary schedule.
Interfund Transfer	Transfers from one fund to another. All transfers from one fund to another fund, as detailed under Receipt Account No. 5200.
Liquidation	Liquidation occurs when the State or subgrantee actually pays for an obligation
Local Educational Agency (LEA)	Local school district
Obligate	Acquisition of real or personal property, personal or utility

	services, travel, rental of real or personal property, etc.
Operation & Maintenance	Expenditure in budget used for service contracts, machine repair, etc.
Other Purchase Services	Expenditures for transporting children to and from tutoring, telephone, postage, postage machine rental, printing, travel.
Other Support Services	Other support staff administering the Title I Program (e.g., Program Administrator, Title I secretary).
Per Pupil Expenditure (PPE)	Amount of funds to be spent per child in Title I programs.
Priority School	Title I school that earns an "F" through the state accountability system
Professional Services	Services that require a signed, legal contract.
School Improvement	A structure for SEAs to evaluate schools annually. Each LEA that receives Title I, Part A funds must use the state assessment results to determine if each school has made AYP, as defined by the state.
Student Transportation	Student transportation to and from school, i.e., before school programs; after school programs. Preschool buses & driver, transportation.
Supplanting	Replacing or providing a program that is in place for all students.
Supplementing	Providing additional program support for those most academically in need, and which is over and above that of the regular instructional program.
Supplies	Tangible property other than equipment. Supplies can be consumable items such as writing paper, writing utensils, staples, etc., or nonexpendable items such as math manipulatives and books.
Student Support Services	Provide direct assistance to students. These staff members have student caseloads during the time they are paid through the Title I funding category (e.g., counselor; social worker; nurse).
School-wide Program	Schools that have at least 40 percent poverty and have a plan that has been approved by the State; Focus and Priority schools who have a poverty rate below 40 percent may become school-wide when a plan is put into place.
Targeted Assistance School	Schools that must target and serve only individually identified students who are failing, or at risk of failing to meet State standards. Funding is determined based on free/reduced lunch, but services are determined based on academic needs of students.
Technology	Anything that has or is used with a computer chip, such as computers, iPads, software, software licensing, printers, and distance learning equipment. Digital Supplies: eBooks, educational websites, apps, etc.
Travel	Expenses related to Title I travel.

GUIDELINES FOR BUDGET CLASSIFICATION AND DEFINITION EXPENDITURE ACCOUNTS AND OBJECT ACCOUNTS

EXPENDITURE ACCOUNTS

11000	**Instruction:** includes activities dealing directly with the interaction between teachers and students (e.g., Title I teachers, paraprofessional).
17900	**Payments to other Governmental Units:** Transfer from one LEA to another LEA to support equitable services regarding non-public schools.
20000	**Support Services – Student:** Activities designed to assess and improve the academic performance of students and to supplement the teaching process (e.g., social worker, counselor, nurse).
22100	**Improvement of Instruction:** Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities may include curriculum development, techniques of instruction, child development and understanding, and staff training or professional development.
22900	**Other Support Services:** Other support service staff administering the Title I Program (e.g., Program Administrator, Title I secretary).
25191	**Refund of Revenue:** Refund of revenue received earlier, but now requiring refund to person or unit from which received (excess carryover).
26400	**Operation and Maintenance:** Activities for service and or repair of equipment (e.g., printers, screens).
27000	**Student Transportation:** Student transportation to and from school, i.e., before school programs; after school programs.
33000	**Community Service Operations:** Activities which are not directly related to the provision of education for pupils in the school corporation, i.e., parental involvement.
60100	**Transfers:** Reimbursing transportation for choice transportation.
60600	**Indirect Costs:** Amounts authorized for payment to the General Fund of the school corporation, per approved rate, to reimburse for certain administrative cost.

OBJECT ACCOUNTS

110	**Certified Salaries:** Amounts paid to employees who are required to be certified by the Division of Education Learning and Development in order to engage in a contractual agreement with the school corporation (e.g., teachers, program administrators, literacy coaches).
120	**Noncertified Salaries:** Amounts paid to employees of the school corporation who are classified as noncertified Title I (e.g., teachers, program administrators, literacy coaches, paraprofessionals).
211-290	**Employee Benefits:** Certified Employee Benefits.
211-290	**Employee Benefits:** Noncertified Employee Benefits.
311-319	**Professional Services:** Purchase of professional and technical services that can be performed by persons with specialized skills and knowledge (e.g., contracted services, agreements with consultants).
440	**Rentals:** Expenditures for leasing or renting a building (e.g., leasing for a Title I pre-school).
510-593	**Other Purchase Services:** Expenditures for transporting children to and from tutoring, telephone, postage, postage machine rental, printing, travel.
611-689	**General Supplies:** Expenditures for general supplies, including books.
710-748	**Property:** Expenditures for acquiring capital assets, i.e., computer hardware, software, technology hardware, furniture.
910	**Transfer:** Used as an accounting entry to show that funds have been handled without having goods and services rendered in return (e.g., excess carryover, reimburse transportation for cost of choice transportation, correction of errors).